

# U.S. Transformer

## U.S. Transformer East

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Jordan, Minnesota 55352  
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(952) 492-2796 (Fax)  
(800) 328-5894

## U.S. Transformer West

3770 Pole Line Road  
Pocatello, Idaho 83201  
(208) 238-0720  
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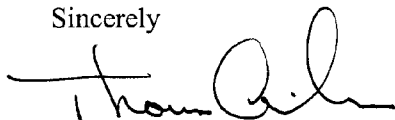
City of College Station  
1101 Texas Avenue  
College Station, Texas 77840  
Attn: Cheryl K. Turney

RE: Bonding for Bid # 02-44

Dear Mrs. Turney,

When US Transformer bid on this project it was our understanding that certain areas of your specifications needed to be met prior to being awarded the bid. One item was insurance coverage, and we did in fact meet that. The other item was bonding where you had contradicting statements. On the Payment Bond it is stated that we must bond for 100% of the contract price for this bond. This appears to be a standard blanket statement based on the items detailed. In the Performance Bond you ask for a bond in the amount of **\$350,000.00 "covering faithful performance of the contract and payment of all obligations as stipulated in the specification"**. Based on this statement and discussions with personnel at College Station this was the amount that we were lead to believe was needed. It is the policy of US Transformer to provide needed bonding, but that the bonding should not exceed the amount of the project. In this case, the required bond of \$466,885 exceeds the amount of the project by more than \$74,000.00. In keeping with policy we will not bond the project for \$466,885.

Sincerely



Thomas Aikens  
Account Manager